

Union Calendar No. 155

104TH CONGRESS
1ST Session

H. R. 1788

[Report No. 104-299]

A BILL

To reform the statutes relating to Amtrak, to authorize appropriations for Amtrak, and for other purposes.

OCTOBER 30, 1995

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 1995

Ms. MOLINARI (for herself and Mr. SHUSTER) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

OCTOBER 30, 1995

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on June 8, 1995]

A BILL

To reform the statutes relating to Amtrak, to authorize appropriations for Amtrak, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Amtrak Reform and Pri-*
5 *vatization Act of 1995”.*

TITLE I—PROCUREMENT REFORMS

SEC. 101. CONTRACTING OUT.

(a) AMENDMENT.—Section 24312(b) of title 49, United States Code, is amended to read as follows:

“(b) CONTRACTING OUT.—(1) When Amtrak contracts out work normally performed by an employee in a bargaining unit covered by a contract between a labor organization and Amtrak, Amtrak is encouraged to use other rail carriers for performing such work.

“(2)(A) Amtrak may not enter into a contract for the operation of trains with any entity other than a State or State authority.

“(B) If Amtrak enters into a contract as described in subparagraph (A)—

“(i) such contract shall not relieve Amtrak of any obligation in connection with the use of facilities of another entity for the operation covered by such contract; and

“(ii) such operation shall be subject to any operating or safety restrictions and conditions required by the agreement providing for the use of such facilities.

“(C) This paragraph shall not restrict Amtrak’s authority to enter into contracts for access to or use of tracks or facilities for the operation of trains.”.

1 (b) *EFFECTIVE DATE.*—Subsection (a) shall take effect
2 254 days after the date of the enactment of this Act.

3 **SEC. 102. CONTRACTING PRACTICES.**

4 (a) *BELOW-COST COMPETITION.*—Section 24305(b) of
5 title 49, United States Code, is amended to read as follows:

6 “(b) *BELOW-COST COMPETITION.*—(1) Amtrak shall
7 not submit any bid for the performance of services under
8 a contract for an amount less than the cost to Amtrak of
9 performing such services, with respect to any activity other
10 than the provision of intercity rail passenger transpor-
11 tation, commuter rail passenger transportation, or mail or
12 express transportation. For purposes of this subsection, the
13 cost to Amtrak of performing services shall be determined
14 using generally accepted accounting principles for contract-
15 ing.

16 “(2) Any aggrieved individual may commence a civil
17 action for violation of paragraph (1). The United States
18 district courts shall have jurisdiction, without regard to the
19 amount in controversy or the citizenship of the parties, to
20 enforce paragraph (1). The court, in issuing any final order
21 in any action brought pursuant to this paragraph, may
22 award bid preparation costs, anticipated profits, and liti-
23 gation costs, including reasonable attorney and expert wit-
24 ness fees, to any prevailing or substantially prevailing
25 party. The court may, if a temporary restraining order or

1 *preliminary injunction is sought, require the filing of a*
 2 *bond or equivalent security in accordance with the Federal*
 3 *Rules of Civil Procedure.*

4 “(3) *This subsection shall cease to be effective on the*
 5 *expiration of a fiscal year during which no Federal operat-*
 6 *ing assistance is provided to Amtrak.*”.

7 (b) *THROUGH SERVICE IN CONJUNCTION WITH INTER-*
 8 *CITY BUS OPERATIONS.*—(1) *Section 24305(a) of title 49,*
 9 *United States Code, is amended by adding at the end the*
 10 *following new paragraph:*

11 “(3)(A) *Except as provided in subsection (d)(2), Am-*
 12 *trak may enter into a contract with a motor carrier of pas-*
 13 *sengers for the intercity transportation of passengers by*
 14 *motor carrier over regular routes only—*

15 “(i) *if the motor carrier is not a public recipient*
 16 *of governmental assistance, as such term is defined in*
 17 *section 10922(d)(1)(F)(i) of this title, other than a re-*
 18 *cipient of funds under section 18 of the Federal Tran-*
 19 *sit Act;*

20 “(ii) *for passengers who have had prior move-*
 21 *ment by rail or will have subsequent movement by*
 22 *rail; and*

23 “(iii) *if the buses, when used in the provision of*
 24 *such transportation, are used exclusively for the*
 25 *transportation of passengers described in clause (ii).*

1 “(B) Subparagraph (A) shall not apply to transpor-
 2 tation funded predominantly by a State or local govern-
 3 ment, or to ticket selling agreements.”.

4 (2) Section 24305(d) of title 49, United States Code,
 5 is amended by adding at the end the following new para-
 6 graph:

7 “(3) Congress encourages Amtrak and motor common
 8 carriers of passengers to use the authority conferred in sec-
 9 tion 11342(a) of this title for the purpose of providing im-
 10 proved service to the public and economy of operation.”.

11 **SEC. 103. FREEDOM OF INFORMATION ACT.**

12 Section 24301(e) of title 49, United States Code, is
 13 amended by striking “Section 552 of title 5, this part,” and
 14 inserting in lieu thereof “This part”.

15 **TITLE II—OPERATIONAL**
 16 **REFORMS**

17 **SEC. 201. BASIC SYSTEM.**

18 (a) OPERATION OF BASIC SYSTEM.—Section 24701 of
 19 title 49, United States Code, and the item relating thereto
 20 in the table of sections of chapter 247 of such title, are re-
 21 pealed.

22 (b) IMPROVING RAIL PASSENGER TRANSPORTATION.—
 23 Section 24702 of title 49, United States Code, and the item
 24 relating thereto in the table of sections of chapter 247 of
 25 such title, are repealed.

1 (c) *DISCONTINUANCE*.—Section 24706 of title 49,
2 *United States Code*, is amended—

3 (1) in subsection (a)(1)—

4 (A) by striking “90 days” and inserting in
5 lieu thereof “180 days”;

6 (B) by striking “a discontinuance under
7 section 24704 or 24707(a) or (b) of this title”
8 and inserting in lieu thereof “discontinuing serv-
9 ice over a route”; and

10 (C) by inserting “or assume” after “agree to
11 share”;

12 (2) in subsection (a)(2), by striking “section
13 24704 or 24707(a) or (b) of this title” and inserting
14 in lieu thereof “paragraph (1)”; and

15 (3) by striking subsection (b).

16 (d) *COST AND PERFORMANCE REVIEW*.—Section
17 24707 of title 49, *United States Code*, and the item relating
18 thereto in the table of sections of chapter 247 of such title,
19 are repealed.

20 (e) *SPECIAL COMMUTER TRANSPORTATION*.—Section
21 24708 of title 49, *United States Code*, and the item relating
22 thereto in the table of sections of chapter 247 of such title,
23 are repealed.

1 (f) *CONFORMING AMENDMENT.*—Section 24312(a)(1)
 2 of title 49, United States Code, is amended by striking “,
 3 24701(a),”.

4 **SEC. 202. MAIL, EXPRESS, AND AUTO-FERRY TRANSPOR-**
 5 **TATION.**

6 (a) *REPEAL.*—Section 24306 of title 49, United States
 7 Code, and the item relating thereto in the table of sections
 8 of chapter 243 of such title, are repealed.

9 (b) *CONFORMING AMENDMENT.*—Section 24301 of title
 10 49, United States Code, is amended by adding at the end
 11 the following new subsection:

12 “(o) *NONAPPLICATION OF CERTAIN OTHER LAWS.*—
 13 State and local laws and regulations that impair the provi-
 14 sion of mail, express, and auto-ferry transportation do not
 15 apply to Amtrak or a rail carrier providing mail, express,
 16 or auto-ferry transportation.”.

17 **SEC. 203. ROUTE AND SERVICE CRITERIA.**

18 Section 24703 of title 49, United States Code, and the
 19 item relating thereto in the table of sections of chapter 247
 20 of such title, are repealed.

21 **SEC. 204. ADDITIONAL QUALIFYING ROUTES.**

22 Section 24705 of title 49, United States Code, and the
 23 item relating thereto in the table of sections of chapter 247
 24 of such title, are repealed.

1 **SEC. 205. TRANSPORTATION REQUESTED BY STATES, AU-**
 2 **THORITIES, AND OTHER PERSONS.**

3 (a) *REPEAL.*—Section 24704 of title 49, United States
 4 Code, and the item relating thereto in the table of sections
 5 of chapter 247 of such title, are repealed.

6 (b) *EXISTING AGREEMENTS.*—Amtrak shall not, after
 7 the date of the enactment of this Act, be required to provide
 8 transportation services pursuant to an agreement entered
 9 into before such date of enactment under the section re-
 10 pealed by subsection (a) of this section.

11 (c) *STATE, REGIONAL, AND LOCAL COOPERATION.*—
 12 Section 24101(c)(2) of title 49, United States Code, is
 13 amended by inserting “, separately or in combination,”
 14 after “and the private sector”.

15 (d) *CONFORMING AMENDMENT.*—Section 24312(a)(1)
 16 of title 49, United States Code, is amended by striking “or
 17 24704(b)(2)”.

18 **SEC. 206. AMTRAK COMMUTER.**

19 (a) *REPEAL OF CHAPTER 245.*—Chapter 245 of title
 20 49, United States Code, and the item relating thereto in
 21 the table of chapters of subtitle V of such title, are repealed.

22 (b) *CONFORMING AMENDMENTS.*—(1) Section 24301(f)
 23 of title 49, United States Code, is amended to read as fol-
 24 lows:

25 “(f) *TAX EXEMPTION FOR CERTAIN COMMUTER AU-*
 26 *THORITIES.*—A commuter authority that was eligible to

1 *make a contract with Amtrak Commuter to provide com-*
 2 *muter rail passenger transportation but which decided to*
 3 *provide its own rail passenger transportation beginning*
 4 *January 1, 1983, is exempt, effective October 1, 1981, from*
 5 *paying a tax or fee to the same extent Amtrak is exempt.”.*

6 (2) *Subsection (a) of this section shall not affect any*
 7 *trackage rights held by Amtrak or the Consolidated Rail*
 8 *Corporation.*

9 ***SEC. 207. COMMUTER COST SHARING ON THE NORTHEAST***
 10 ***CORRIDOR.***

11 (a) *DETERMINATION OF COMPENSATION.—Section*
 12 *24904 of title 49, United States Code, is amended—*

13 (1) *by striking subsection (b);*

14 (2) *by redesignating subsection (c) as subsection*
 15 *(b);*

16 (3) *in subsection (b), as so redesignated by para-*
 17 *graph (2) of this subsection—*

18 (A) *by striking “TRANSPORTATION OVER*
 19 *CERTAIN RIGHTS OF WAY AND FACILITIES” in*
 20 *the subsection head and inserting in lieu thereof*
 21 *“FREIGHT TRANSPORTATION”;*

22 (B) *by inserting “relating to rail freight*
 23 *transportation” after “subsection (a)(6) of this*
 24 *section” in paragraph (1); and*

1 (C) by inserting “to an agreement described
2 in paragraph (1)” after “If the parties” in para-
3 graph (2); and

4 (4) by inserting after subsection (b), as so redes-
5 ignated by paragraph (2) of this subsection, the fol-
6 lowing new subsection:

7 “(c) *BINDING ARBITRATION FOR COMMUTER DIS-*
8 *PUTES.—(1) If the parties to an agreement described in*
9 *subsection (a)(6) relating to commuter rail passenger trans-*
10 *portation cannot agree to the terms of such agreement, such*
11 *parties shall submit the issues in dispute to binding arbi-*
12 *tration.*

13 “(2) *The parties to a dispute described in paragraph*
14 *(1) may agree to use the Interstate Commerce Commission*
15 *to arbitrate such dispute, and if requested the Interstate*
16 *Commerce Commission shall perform such function.”.*

17 (b) *PRIVATIZATION.—Section 24101(d) of title 49,*
18 *United States Code, is amended to read as follows:*

19 “(d) *MINIMIZING GOVERNMENT SUBSIDIES.—To carry*
20 *out this part, Amtrak is encouraged to make agreements*
21 *with the private sector and undertake initiatives that are*
22 *consistent with good business judgment, that produce in-*
23 *come to minimize Government subsidies, and that promote*
24 *the potential privatization of Amtrak’s operations.”.*

1 **SEC. 208. ACCESS TO RECORDS AND ACCOUNTS.**

2 Section 24315 of title 49, United States Code, is
3 amended—

4 (1) in subsection (e), by inserting “financial or”
5 after “Comptroller General may conduct”; and

6 (2) by adding at the end the following new sub-
7 section:

8 “(h) ACCESS TO RECORDS AND ACCOUNTS.—A State
9 shall have access to Amtrak’s records, accounts, and other
10 necessary documents used to determine the amount of any
11 payment to Amtrak required of the State.”.

12 **TITLE III—COLLECTIVE**
13 **BARGAINING REFORMS**

14 **SEC. 301. RAILWAY LABOR ACT PROCEDURES.**

15 (a) NOTICES.—(1) Notwithstanding any arrangement
16 in effect before the date of the enactment of this Act, notices
17 under section 6 of the Railway Labor Act (45 U.S.C. 156)
18 with respect to all issues relating to—

19 (A) employee protective arrangements and sever-
20 ance benefits, including all provisions of Appendix C–
21 2 to the National Railroad Passenger Corporation
22 Agreement, signed July 5, 1973; and

23 (B) contracting out by Amtrak of work normally
24 performed by an employee in a bargaining unit cov-
25 ered by a contract between Amtrak and a labor orga-
26 nization representing Amtrak employees,

1 applicable to employees of Amtrak shall be deemed served
2 and effective on the date which is 90 days after the date
3 of the enactment of this Act. Amtrak, and each affected labor
4 organization representing Amtrak employees, shall prompt-
5 ly supply specific information and proposals with respect
6 to each such notice. This subsection shall not apply to issues
7 relating to provisions defining the scope or classification
8 of work performed by an Amtrak employee.

9 (2) In the case of provisions of a collective bargaining
10 agreement with respect to which a moratorium is in effect
11 90 days after the date of the enactment of this Act, para-
12 graph (1) shall take effect on the expiration of such morato-
13 rium. For purposes of the application of paragraph (1) to
14 such provisions, notices shall be deemed served and effective
15 on the date of such expiration.

16 (b) NATIONAL MEDIATION BOARD EFFORTS.—Except
17 as provided in subsection (c), the National Mediation Board
18 shall complete all efforts, with respect to each dispute de-
19 scribed in subsection (a), under section 5 of the Railway
20 Labor Act (45 U.S.C. 155) not later than 180 days after
21 the date of the enactment of this Act.

22 (c) RAILWAY LABOR ACT ARBITRATION.—The parties
23 to any dispute described in subsection (a) may agree to sub-
24 mit the dispute to arbitration under section 7 of the Rail-
25 way Labor Act (45 U.S.C. 157), and any award resulting

1 *therefrom shall be retroactive to the date which is 180 days*
 2 *after the date of the enactment of this Act.*

3 *(d) DISPUTE RESOLUTION.—(1) With respect to any*
 4 *dispute described in subsection (a) which—*

5 *(A) is unresolved as of the date which is 180*
 6 *days after the date of the enactment of this Act; and*

7 *(B) is not submitted to arbitration as described*
 8 *in subsection (c),*

9 *Amtrak and the labor organization parties to such dispute*
 10 *shall, within 187 days after the date of the enactment of*
 11 *this Act, each select an individual from the entire roster*
 12 *of arbitrators maintained by the National Mediation*
 13 *Board. Within 194 days after the date of the enactment of*
 14 *this Act, the individuals selected under the preceding sen-*
 15 *tence shall jointly select an individual from such roster to*
 16 *make recommendations with respect to such dispute under*
 17 *this subsection.*

18 *(2) No individual shall be selected under paragraph*
 19 *(1) who is pecuniarily or otherwise interested in any orga-*
 20 *nization of employees or any railroad. Nothing in this sub-*
 21 *section shall preclude an individual from being selected for*
 22 *more than 1 dispute described in subsection (a).*

23 *(3) The compensation of individuals selected under*
 24 *paragraph (1) shall be fixed by the National Mediation*
 25 *Board. The second paragraph of section 10 of the Railway*

1 *Labor Act shall apply to the expenses of such individuals*
 2 *as if such individuals were members of a board created*
 3 *under such section 10.*

4 (4) *If the parties to a dispute described in subsection*
 5 *(a) fail to reach agreement within 224 days after the date*
 6 *of the enactment of this Act, the individual selected under*
 7 *paragraph (1) with respect to such dispute shall make rec-*
 8 *ommendations to the parties proposing contract terms to*
 9 *resolve the dispute.*

10 (5) *If the parties to a dispute described in subsection*
 11 *(a) fail to reach agreement, no change shall be made by*
 12 *either of the parties in the conditions out of which the dis-*
 13 *pute arose for 30 days after recommendations are made*
 14 *under paragraph (4).*

15 (6) *Section 10 of the Railway Labor Act (45 U.S.C.*
 16 *160) shall not apply to a dispute described in subsection*
 17 *(a).*

18 **SEC. 302. SERVICE DISCONTINUANCE.**

19 (a) *REPEAL.*—(1) *Section 24706(c) of title 49, United*
 20 *States Code, is repealed.*

21 (2)(A) *Any provision of a contract, entered into before*
 22 *the date of the enactment of this Act between Amtrak and*
 23 *a labor organization representing Amtrak employees, relat-*
 24 *ing to—*

1 (i) *employee protective arrangements and sever-*
 2 *ance benefits, including all provisions of Appendix C–*
 3 *2 to the National Railroad Passenger Corporation*
 4 *Agreement, signed July 5, 1973; or*

5 (ii) *contracting out by Amtrak of work normally*
 6 *performed by an employee in a bargaining unit cov-*
 7 *ered by a contract between Amtrak and a labor orga-*
 8 *nization representing Amtrak employees,*
 9 *applicable to employees of Amtrak is extinguished. This*
 10 *paragraph shall not apply to provisions defining the scope*
 11 *or classification of work performed by an Amtrak employee.*

12 (B) *In the case of provisions of a collective bargaining*
 13 *agreement with respect to which a moratorium is in effect*
 14 *90 days after the date of the enactment of this Act, subpara-*
 15 *graph (A) shall take effect 164 days after the date of the*
 16 *expiration of such moratorium.*

17 (3) *Section 1172(c) of title 11, United States Code,*
 18 *shall not apply to Amtrak and its employees.*

19 (4) *Paragraphs (1) and (2) of this subsection shall take*
 20 *effect 254 days after the date of the enactment of this Act.*

21 (b) *INTERCITY PASSENGER SERVICE EMPLOYEES.—*
 22 *Section 1165(a) of the Northeast Rail Service Act of 1981*
 23 *(45 U.S.C. 1113(a)) is amended—*

24 (1) *by inserting “(1)” before “After January 1,*
 25 *1983”;*

1 (2) *by striking “Amtrak, Amtrak Commuter,*
2 *and Conrail” and inserting in lieu thereof “Amtrak*
3 *and Conrail”;*

4 (3) *by striking “Such agreement shall ensure”*
5 *and all that follows through “submitted to binding ar-*
6 *bitration.”; and*

7 (4) *by adding at the end the following new para-*
8 *graph:*

9 “(2) *Notwithstanding any other provision of law,*
10 *agreement, or arrangement, with respect to employees in*
11 *any class or craft in train or engine service, Conrail shall*
12 *have the right to furlough one such employee for each em-*
13 *ployee in train or engine service who moves from Amtrak*
14 *to Conrail in excess of the cumulative number of such em-*
15 *ployees who move from Conrail to Amtrak. Conrail shall*
16 *not be obligated to fill any position governed by an agree-*
17 *ment concerning crew consist, attrition arrangements, re-*
18 *serve boards, or reserve engine service positions, where an*
19 *increase in positions is the result of the return of an Amtrak*
20 *employee pursuant to an agreement entered into under*
21 *paragraph (1). Conrail’s collective bargaining agreements*
22 *with organizations representing its train and engine service*
23 *employees shall be deemed to have been amended to conform*
24 *to this paragraph. Any dispute or controversy with respect*
25 *to the interpretation, application, or enforcement of this*

1 paragraph which has not been resolved within 90 days after
 2 the date of the enactment of this paragraph may be submit-
 3 ted by either party to an adjustment board for a final and
 4 binding decision under section 3 of the Railway Labor
 5 Act.”.

6 (c) *TECHNICAL AMENDMENT.*—Section 11347 of title
 7 49, United States Code, is amended by striking “sections
 8 24307(c), 24312, and” and inserting in lieu thereof “sec-
 9 tion”.

10 ***TITLE IV—USE OF RAILROAD*** 11 ***FACILITIES***

12 ***SEC. 401. LIABILITY LIMITATION.***

13 (a) *AMENDMENT.*—Chapter 281 of title 49, United
 14 States Code, is amended by adding at the end the following
 15 new section:

16 ***“§28103. Limitations on rail passenger transpor- 17 tation liability***

18 “(a) *LIMITATIONS.*—(1) Notwithstanding any other
 19 statutory or common law or public policy, or the nature
 20 of the conduct giving rise to damages or liability, in a claim
 21 for personal injury, death, or damage to property arising
 22 from or in connection with the provision of rail passenger
 23 transportation, or from or in connection with any rail pas-
 24 senger transportation operations over or rail passenger
 25 transportation use of right-of-way or facilities owned,

1 *leased, or maintained by any high-speed railroad authority*
 2 *or operator, any commuter authority or operator, any rail*
 3 *carrier, or any State—*

4 *“(A) punitive damages shall not exceed the great-*
 5 *er of—*

6 *“(i) \$250,000; or*

7 *“(ii) three times the amount of economic*
 8 *loss; and*

9 *“(B) noneconomic damages awarded to any*
 10 *claimant for each accident or incident shall not ex-*
 11 *ceed the claimant’s economic loss, if any, by more*
 12 *than \$250,000.*

13 *“(2) If, in any case wherein death was caused, the law*
 14 *of the place where the act or omission complained of oc-*
 15 *curred provides, or has been construed to provide, for dam-*
 16 *ages only punitive in nature, the claimant may recover in*
 17 *a claim limited by this subsection for economic and non-*
 18 *economic damages and punitive damages, subject to para-*
 19 *graph (1)(A) and (B).*

20 *“(3) For purposes of this subsection—*

21 *“(A) the term ‘actual damages’ means damages*
 22 *awarded to pay for economic loss;*

23 *“(B) the term ‘claim’ means a claim made, di-*
 24 *rectly or indirectly—*

1 “(i) against Amtrak, any high-speed rail-
2 road authority or operator, any commuter au-
3 thority or operator, any rail carrier, or any
4 State; or

5 “(ii) against an officer, employee, affiliate
6 engaged in railroad operations, or agent, of Am-
7 trak, any high-speed railroad authority or opera-
8 tor, any commuter authority or operator, any
9 rail carrier, or any State;

10 “(C) the term ‘economic loss’ means any pecu-
11 niary loss resulting from harm, including the loss of
12 earnings, medical expense loss, replacement services
13 loss, loss due to death, burial costs, loss of business or
14 employment opportunities, and any other form of pe-
15 cuniary loss allowed under applicable State law or
16 under paragraph (2) of this subsection;

17 “(D) the term ‘noneconomic damages’ means
18 damages other than punitive damages or actual dam-
19 ages; and

20 “(E) the term ‘punitive damages’ means dam-
21 ages awarded against any person or entity to punish
22 or deter such person or entity, or others, from engag-
23 ing in similar behavior in the future.

24 “(b) INDEMNIFICATION OBLIGATIONS.—Obligations of
25 any party, however arising, including obligations arising

1 *under leases or contracts or pursuant to orders of an ad-*
 2 *ministrative agency, to indemnify against damages or li-*
 3 *ability for personal injury, death, or damage to property*
 4 *described in subsection (a), incurred after the date of the*
 5 *enactment of the Amtrak Reform and Privatization Act of*
 6 *1995, shall be enforceable, notwithstanding any other statu-*
 7 *tory or common law or public policy, or the nature of the*
 8 *conduct giving rise to the damages or liability.*

9 “(c) *EFFECT ON OTHER LAWS.—This section shall not*
 10 *affect the damages that may be recovered under the Act of*
 11 *April 27, 1908 (45 U.S.C. 51 et seq.; popularly known as*
 12 *the ‘Federal Employers’ Liability Act’)* or under any work-
 13 *ers compensation act.*

14 “(d) *DEFINITION.—For purposes of this section, the*
 15 *term ‘rail carrier’ includes a person providing excursion,*
 16 *scenic, or museum train service, and an owner or operator*
 17 *of a privately owned rail passenger car.”.*

18 (b) *CONFORMING AMENDMENT.—The table of sections*
 19 *of chapter 281 of title 49, United States Code, is amended*
 20 *by adding at the end the following new item:*

“28103. Limitations on rail passenger transportation liability.”.

21 ***TITLE V—FINANCIAL REFORMS***

22 ***SEC. 501. FINANCIAL POWERS.***

23 (a) *CAPITALIZATION.—(1) Section 24304 of title 49,*
 24 *United States Code, is amended to read as follows:*

1 **“§ 24304. Employee stock ownership plans**

2 *“In issuing stock pursuant to applicable corporate*
 3 *law, Amtrak is encouraged to include employee stock owner-*
 4 *ship plans.”.*

5 *(2) The item relating to section 24304 of title 49, Unit-*
 6 *ed States Code, in the table of sections of chapter 243 of*
 7 *such title is amended to read as follows:*

“24304. Employee stock ownership plans.”.

8 **(b) REDEMPTION OF COMMON STOCK.**—*(1) Amtrak*
 9 *shall, within 2 months after the date of the enactment of*
 10 *this Act, redeem all common stock previously issued, for the*
 11 *fair market value of such stock.*

12 *(2) Section 28103 of title 49, United States Code, shall*
 13 *not apply to any rail carrier holding common stock of Am-*
 14 *trak after the expiration of 2 months after the date of the*
 15 *enactment of this Act.*

16 *(3) Amtrak shall redeem any such common stock held*
 17 *after the expiration of the 2-month period described in*
 18 *paragraph (1), using procedures set forth in section*
 19 *24311(a) and (b).*

20 **(c) ELIMINATION OF LIQUIDATION PREFERENCE AND**
 21 **VOTING RIGHTS OF PREFERRED STOCK.**—*(1)(A) Preferred*
 22 *stock of Amtrak held by the Secretary of Transportation*
 23 *shall confer no liquidation preference.*

24 *(B) Subparagraph (A) shall take effect 90 days after*
 25 *the date of the enactment of this Act.*

1 (2)(A) *Preferred stock of Amtrak held by the Secretary*
 2 *of Transportation shall confer no voting rights.*

3 (B) *Subparagraph (A) shall take effect 60 days after*
 4 *the date of the enactment of this Act.*

5 (d) *NOTE AND MORTGAGE.—(1) Section 24907 of title*
 6 *49, United States Code, and the item relating thereto in*
 7 *the table of sections of chapter 249 of such title, are repealed.*

8 (2) *The United States hereby relinquishes all rights*
 9 *held in connection with any note obtained or mortgage*
 10 *made under such section 24907, or in connection with the*
 11 *note, security agreement, and terms and conditions related*
 12 *thereto entered into with Amtrak dated October 5, 1983.*

13 (3) *No amount shall be includible in Amtrak’s gross*
 14 *income for Federal tax purposes as a result of the applica-*
 15 *tion of this subsection or subsection (c).*

16 (e) *STATUS AND APPLICABLE LAWS.—(1) Section*
 17 *24301(a)(3) of title 49, United States Code, is amended by*
 18 *inserting “, and shall not be subject to title 31, United*
 19 *States Code” after “United States Government”.*

20 (2) *Section 9101(2) of title 31, United States Code,*
 21 *relating to Government corporations, is amended by strik-*
 22 *ing subparagraph (A) and redesignating subparagraphs*
 23 *(B) through (M) as subparagraphs (A) through (L), respec-*
 24 *tively.*

1 **SEC. 502. DISBURSEMENT OF FEDERAL FUNDS.**

2 Section 24104(d) of title 49, United States Code, is
3 amended to read as follows:

4 “(d) ADMINISTRATION OF APPROPRIATIONS.—Federal
5 funds appropriated to Amtrak shall be provided to Amtrak
6 upon appropriation when requested by Amtrak, and shall
7 not be includible in Amtrak’s gross income for Federal tax
8 purposes.”.

9 **SEC. 503. BOARD OF DIRECTORS.**

10 (a) AMENDMENT.—Section 24302 of title 49, United
11 States Code, is amended to read as follows:

12 **“§ 24302. Board of Directors**

13 “(a) EMERGENCY REFORM BOARD.—

14 “(1) ESTABLISHMENT AND DUTIES.—The Emer-
15 gency Reform Board described in paragraph (2) shall
16 assume the responsibilities of the Board of Directors
17 of Amtrak 60 days after the date of the enactment of
18 the Amtrak Reform and Privatization Act of 1995, or
19 as soon thereafter as such Board is sufficiently con-
20 stituted to function as a board of directors under ap-
21 plicable corporate law. Such Board shall adopt new
22 bylaws, including procedures for the selection of mem-
23 bers of the Board of Directors under subsection (c)
24 which provide for employee representation.

25 “(2) MEMBERSHIP.—(A) The Emergency Reform
26 Board shall consist of 7 members appointed by the

1 *President, by and with the advice and consent of the*
2 *Senate.*

3 “(B) *In selecting individuals for nominations for*
4 *appointments to the Emergency Reform Board, the*
5 *President should consult with—*

6 “(i) *the Speaker of the House of Representa-*
7 *tives concerning the appointment of two mem-*
8 *bers;*

9 “(ii) *the minority leader of the House of*
10 *Representatives concerning the appointment of*
11 *one member;*

12 “(iii) *the majority leader of the Senate con-*
13 *cerning the appointment of two members; and*

14 “(iv) *the minority leader of the Senate con-*
15 *cerning the appointment of one member.*

16 “(C) *Appointments under subparagraph (A)*
17 *shall be made from among individuals who—*

18 “(i) *have technical qualification, profes-*
19 *sional standing, and demonstrated expertise in*
20 *the fields of intercity common carrier transpor-*
21 *tation and corporate management; and*

22 “(ii) *are not employees of Amtrak, employ-*
23 *ees of the United States, or representatives of rail*
24 *labor or rail management.*

1 “(b) *DIRECTOR GENERAL.*—If the *Emergency Reform*
2 *Board* described in subsection (a)(2) is not sufficiently con-
3 stituted to function as a board of directors under applicable
4 corporate law before the expiration of 60 days after the date
5 of the enactment of the *Amtrak Reform and Privatization*
6 *Act of 1995*, the special court established under section
7 209(b) of the *Regional Rail Reorganization Act of 1973* (45
8 U.S.C. 719(b)) shall appoint a *Director General*, who shall
9 exercise all powers of the *Board of Directors of Amtrak* until
10 the *Emergency Reform Board* assumes such powers.

11 “(c) *BOARD OF DIRECTORS.*—Four years after the es-
12 tablishment of the *Emergency Reform Board* under sub-
13 section (a), a *Board of Directors* shall be selected pursuant
14 to bylaws adopted by the *Emergency Reform Board*, and
15 the *Emergency Reform Board* shall be dissolved.”.

16 (b) *EFFECT ON AUTHORIZATIONS.*—If the *Emergency*
17 *Reform Board* has not assumed the responsibilities of the
18 *Board of Directors of Amtrak* before March 15, 1996, all
19 provisions authorizing appropriations under the amend-
20 ments made by section 701 of this Act for a fiscal year after
21 fiscal year 1996 shall cease to be effective.

22 **SEC. 504. REPORTS AND AUDITS.**

23 Section 24315 of title 49, *United States Code*, as
24 amended by section 208 of this Act, is further amended—

25 (1) by striking subsections (a) and (c);

1 (2) by redesignating subsections (b), (d), (e), (f),
 2 (g), and (h) as subsections (a), (b), (c), (d), (e), and
 3 (f), respectively; and

4 (3) in subsection (d), as so redesignated by para-
 5 graph (2) of this section, by striking “(d) or (e)” and
 6 inserting in lieu thereof “(b) or (c)”.

7 **SEC. 505. OFFICERS’ PAY.**

8 Section 24303(b) of title 49, United States Code, is
 9 amended by inserting “The preceding sentence shall cease
 10 to be effective on the expiration of a fiscal year during
 11 which no Federal operating assistance is provided to Am-
 12 trak.” after “with comparable responsibility.”.

13 **SEC. 506. EXEMPTION FROM TAXES.**

14 Section 24301(l)(1) of title 49, United States Code, is
 15 amended—

16 (1) by inserting “, and any passenger or other
 17 customer of Amtrak or such subsidiary,” after “sub-
 18 sidiary of Amtrak”;

19 (2) by striking “or fee imposed” and all that fol-
 20 lows through “levied on it” and inserting in lieu
 21 thereof “, fee, head charge, or other charge, imposed
 22 or levied by a State, political subdivision, or local
 23 taxing authority, directly or indirectly on Amtrak or
 24 on persons traveling in intercity rail passenger trans-
 25 portation or on mail or express transportation pro-

1 *vided by Amtrak or a rail carrier subsidiary of Am-*
 2 *trak, or on the carriage of such persons, mail, or ex-*
 3 *press, or on the sale of any such transportation, or on*
 4 *the gross receipts derived therefrom”; and*

5 *(3) by amending the last sentence thereof to read*
 6 *as follows: “In the case of a tax or fee that Amtrak*
 7 *was required to pay as of September 10, 1982, Am-*
 8 *trak is not exempt from such tax or fee if it was as-*
 9 *sessed before April 1, 1995.”.*

10 ***TITLE VI—MISCELLANEOUS***

11 ***SEC. 601. TEMPORARY RAIL ADVISORY COUNCIL.***

12 *(a) APPOINTMENT.—Within 30 days after the date of*
 13 *the enactment of this Act, a Temporary Rail Advisory*
 14 *Council (in this section referred to as the “Council”) shall*
 15 *be appointed under this section.*

16 *(b) DUTIES.—The Council shall—*

17 *(1) evaluate Amtrak’s performance;*

18 *(2) prepare an analysis and critique of Amtrak’s*
 19 *business plan;*

20 *(3) suggest strategies for further cost contain-*
 21 *ment and productivity improvements, including*
 22 *strategies with the potential for further reduction in*
 23 *Federal operating subsidies and the eventual partial*
 24 *or complete privatization of Amtrak’s operations; and*

1 (4) *recommend appropriate methods for adoption*
2 *of uniform cost and accounting procedures throughout*
3 *the Amtrak system, based on generally accepted ac-*
4 *counting principles.*

5 (c) *MEMBERSHIP.*—(1) *The Council shall consist of 7*
6 *members appointed as follows:*

7 (A) *Two individuals to be appointed by the*
8 *Speaker of the House of Representatives.*

9 (B) *One individual to be appointed by the mi-*
10 *nority leader of the House of Representatives.*

11 (C) *Two individuals to be appointed by the ma-*
12 *jority leader of the Senate.*

13 (D) *One individual to be appointed by the mi-*
14 *nority leader of the Senate.*

15 (E) *One individual to be appointed by the Presi-*
16 *dent.*

17 (2) *Appointments under paragraph (1) shall be made*
18 *from among individuals who—*

19 (A) *have technical qualification, professional*
20 *standing, and demonstrated expertise in the fields of*
21 *transportation and corporate management; and*

22 (B) *are not employees of Amtrak, employees of*
23 *the United States, or representatives of rail labor or*
24 *rail management.*

1 (3) *Within 40 days after the date of the enactment of*
2 *this Act, a majority of the members of the Council shall*
3 *elect a chairman from among such members.*

4 (d) *TRAVEL EXPENSES.—Each member of the Council*
5 *shall serve without pay, but shall receive travel expenses,*
6 *including per diem in lieu of subsistence, in accordance*
7 *with sections 5702 and 5703 of title 5, United States Code.*

8 (e) *ADMINISTRATIVE SUPPORT.—The Secretary of*
9 *Transportation shall provide to the Council such adminis-*
10 *trative support as the Council requires to carry out this*
11 *section.*

12 (f) *ACCESS TO INFORMATION.—Amtrak shall make*
13 *available to the Council all information the Council re-*
14 *quires to carry out this section. The Council shall establish*
15 *appropriate procedures to ensure against the public disclo-*
16 *sure of any information obtained under this subsection*
17 *which is a trade secret or commercial or financial informa-*
18 *tion that is privileged or confidential.*

19 (g) *REPORTS.—(1) Within 120 days after the date of*
20 *the enactment of this Act, the Council shall transmit to the*
21 *Amtrak board of directors and the Congress an interim re-*
22 *port on its findings and recommendations.*

23 (2) *Within 270 days after the date of the enactment*
24 *of this Act, the Council shall transmit to the Amtrak board*

1 *of directors and the Congress a final report on its findings*
 2 *and recommendations.*

3 *(h) STATUS.—The Council shall not be subject to the*
 4 *Federal Advisory Committee Act (5 U.S.C. App.) or section*
 5 *552 of title 5, United States Code (commonly referred to*
 6 *as the Freedom of Information Act).*

7 ***SEC. 602. PRINCIPAL OFFICE AND PLACE OF BUSINESS.***

8 *Section 24301(b) of title 49, United States Code, is*
 9 *amended—*

10 *(1) by striking the first sentence;*

11 *(2) by striking “of the District of Columbia” and*
 12 *inserting in lieu thereof “of the State in which its*
 13 *principal office and place of business is located”; and*

14 *(3) by inserting “For purposes of this subsection,*
 15 *the term ‘State’ includes the District of Columbia.*
 16 *Notwithstanding section 3 of the District of Columbia*
 17 *Business Corporation Act, Amtrak, if its principal of-*
 18 *fice and place of business is located in the District of*
 19 *Columbia, shall be considered organized under the*
 20 *provisions of such Act.” after “in a civil action.”.*

21 ***SEC. 603. STATUS AND APPLICABLE LAWS.***

22 *Section 24301 of title 49, United States Code, is*
 23 *amended—*

24 *(1) in subsection (a)(1), by striking “rail carrier*
 25 *under section 10102” and inserting in lieu thereof*

1 *“railroad carrier under section 20102(2) and chapters*
 2 *261 and 281”*; and

3 *(2) by amending subsection (c) to read as fol-*
 4 *lows:*

5 *“(c) APPLICATION OF SUBTITLE IV.—Subtitle IV of*
 6 *this title shall not apply to Amtrak, except for sections*
 7 *11303, 11342(a), 11504(a) and (d), and 11707. Notwith-*
 8 *standing the preceding sentence, Amtrak shall continue to*
 9 *be considered an employer under the Railroad Retirement*
 10 *Act of 1974, the Railroad Unemployment Insurance Act,*
 11 *and the Railroad Retirement Tax Act.”.*

12 ***SEC. 604. WASTE DISPOSAL.***

13 *Section 24301(m)(1)(A) of title 49, United States*
 14 *Code, is amended by striking “1996” and inserting in lieu*
 15 *thereof “2001”.*

16 ***SEC. 605. ASSISTANCE FOR UPGRADING FACILITIES.***

17 *Section 24310 of title 49, United States Code, and the*
 18 *item relating thereto in the table of sections of chapter 243*
 19 *of such title, are repealed.*

20 ***SEC. 606. RAIL SAFETY SYSTEM PROGRAM.***

21 *Section 24313 of title 49, United States Code, and the*
 22 *item relating thereto in the table of sections of chapter 243*
 23 *of such title, are repealed.*

1 **SEC. 607. DEMONSTRATION OF NEW TECHNOLOGY.**

2 Section 24314 of title 49, United States Code, and the
3 item relating thereto in the table of sections of chapter 243
4 of such title, are repealed.

5 **SEC. 608. PROGRAM MASTER PLAN FOR BOSTON-NEW YORK**

6 **MAIN LINE.**

7 (a) *REPEAL.*—Section 24903 of title 49, United States
8 Code, and the item relating thereto in the table of sections
9 of chapter 249 of such title, are repealed.

10 (b) CONFORMING AMENDMENT.—Section
11 24902(a)(1)(A) of title 49, United States Code, is amended
12 by striking “and 40 minutes”.

13 **SEC. 609. BOSTON-NEW HAVEN ELECTRIFICATION PROJECT.**

14 Section 24902(f) of title 49, United States Code, is
15 amended—

16 (1) by inserting “(1)” before “Improvements
17 under”; and

18 (2) by adding at the end the following new para-
19 graph:

20 “(2) Amtrak shall design and construct the electrifica-
21 tion system between Boston, Massachusetts, and New
22 Haven, Connecticut, to accommodate the installation of a
23 third mainline track between Davisville and Central Falls,
24 Rhode Island, to be used for double-stack freight service to
25 and from the Port of Davisville. Amtrak shall also make
26 clearance improvements on the existing main line tracks

1 to permit double stack service on this line, if funds to defray
 2 the costs of clearance improvements beyond Amtrak's own
 3 requirements for electrified passenger service are provided
 4 by public or private entities other than Amtrak. Wherever
 5 practicable, Amtrak shall use portal structures and realign
 6 existing tracks on undergrade and overgrade bridges to
 7 minimize the width of the right-of-way required to add the
 8 third track. Amtrak shall take such other steps as may be
 9 required to coordinate and facilitate design and construc-
 10 tion work. The Secretary of Transportation may provide
 11 appropriate support to Amtrak for carrying out this para-
 12 graph.”.

13 **SEC. 610. AMERICANS WITH DISABILITIES ACT OF 1990.**

14 (a) *APPLICATION TO AMTRAK.*—Amtrak shall not be
 15 subject to any requirement under section 242(a)(1) and (3)
 16 and (e)(2) of the Americans With Disabilities Act of 1990
 17 (42 U.S.C. 12162(a)(1) and (3) and (e)(2)) until January
 18 1, 1998.

19 (b) *CONFORMING AMENDMENT.*—Section 24307 of title
 20 49, United States Code, is amended—

21 (1) by striking subsection (b); and

22 (2) by redesignating subsection (c) as subsection

23 (b).

1 **SEC. 611. DEFINITIONS.**

2 Section 24102 of title 49, United States Code, is
3 amended—

4 (1) by striking paragraphs (2), (3), and (11);

5 (2) by redesignating paragraphs (4) through (8)
6 as paragraphs (2) through (6), respectively;

7 (3) by inserting after paragraph (6), as so redes-
8 igned by paragraph (2) of this section, the following
9 new paragraph:

10 “(7) ‘rail passenger transportation’ means the
11 interstate, intrastate, or international transportation
12 of passengers by rail;”;

13 (4) in paragraph (6), as so redesignated by
14 paragraph (2) of this section, by inserting “, includ-
15 ing a unit of State or local government,” after
16 “means a person”; and

17 (5) by redesignating paragraphs (9) and (10) as
18 paragraphs (8) and (9), respectively.

19 **SEC. 612. NORTHEAST CORRIDOR COST DISPUTE.**

20 Section 1163 of the Northeast Rail Service Act of 1981
21 (45 U.S.C. 1111) is repealed.

22 **SEC. 613. INSPECTOR GENERAL ACT OF 1978 AMENDMENT.**

23 (a) AMENDMENT.—Section 8G(a)(2) of the Inspector
24 General Act of 1978 (5 U.S.C. App.) is amended by striking
25 “Amtrak,”.

1 (b) *AMTRAK NOT FEDERAL ENTITY.*—*Amtrak shall*
 2 *not be considered a Federal entity for purposes of the In-*
 3 *spector General Act of 1978.*

4 ***SEC. 614. CONSOLIDATED RAIL CORPORATION.***

5 *Section 4023 of the Conrail Privatization Act (45*
 6 *U.S.C. 1323), and the item relating thereto in the table of*
 7 *contents of such Act, are repealed.*

8 ***SEC. 615. INTERSTATE RAIL COMPACTS.***

9 (a) *CONSENT TO COMPACTS.*—*Congress grants consent*
 10 *to States with an interest in a specific form, route, or cor-*
 11 *ridor of intercity passenger rail service (including high*
 12 *speed rail service) to enter into interstate compacts to pro-*
 13 *mote the provision of the service, including—*

14 (1) *retaining an existing service or commencing*
 15 *a new service;*

16 (2) *assembling rights-of-way; and*

17 (3) *performing capital improvements, includ-*
 18 *ing—*

19 (A) *the construction and rehabilitation of*
 20 *maintenance facilities and intermodal passenger*
 21 *facilities;*

22 (B) *the purchase of locomotives; and*

23 (C) *operational improvements, including*
 24 *communications, signals, and other systems.*

1 (b) *FINANCING.*—*An interstate compact established by*
 2 *States under subsection (a) may provide that, in order to*
 3 *carry out the compact, the States may—*

4 (1) *accept contributions from a unit of State or*
 5 *local government or a person;*

6 (2) *use any Federal or State funds made avail-*
 7 *able for intercity passenger rail service (except funds*
 8 *made available for the National Railroad Passenger*
 9 *Corporation);*

10 (3) *on such terms and conditions as the States*
 11 *consider advisable—*

12 (A) *borrow money on a short-term basis*
 13 *and issue notes for the borrowing; and*

14 (B) *issue bonds; and*

15 (4) *obtain financing by other means permitted*
 16 *under Federal or State law.*

17 ***SEC. 616. CONFORMING AMENDMENT.***

18 *Section 10362(b) of title 49, United States Code, is*
 19 *amended by striking paragraph (5) and redesignating*
 20 *paragraphs (6) through (8) as paragraphs (5) through (7),*
 21 *respectively.*

1 ***TITLE VII—AUTHORIZATION OF***
 2 ***APPROPRIATIONS***

3 ***SEC. 701. AUTHORIZATION OF APPROPRIATIONS.***

4 *(a) IN GENERAL.—Section 24104(a) of title 49, United*
 5 *States Code, is amended to read as follows:*

6 *“(a) IN GENERAL.—There are authorized to be appro-*
 7 *priated to the Secretary of Transportation—*

8 *“(1) \$772,000,000 for fiscal year 1995;*

9 *“(2) \$712,000,000 for fiscal year 1996;*

10 *“(3) \$712,000,000 for fiscal year 1997;*

11 *“(4) \$712,000,000 for fiscal year 1998; and*

12 *“(5) \$403,000,000 for fiscal year 1999,*

13 *for the benefit of Amtrak for capital expenditures under*
 14 *chapters 243 and 247 of this title, operating expenses, and*
 15 *payments described in subsection (c)(1)(A) through (C).”.*

16 *(b) ADDITIONAL AUTHORIZATIONS.—Section 24104(b)*
 17 *of title 49, United States Code, is amended to read as fol-*
 18 *lows:*

19 *“(b) ADDITIONAL AUTHORIZATIONS.—(1) In addition*
 20 *to amounts appropriated under subsection (a), there are au-*
 21 *thorized to be appropriated to the Secretary of Transpor-*
 22 *tation—*

23 *“(A) \$200,000,000 for fiscal year 1995;*

24 *“(B) \$200,000,000 for fiscal year 1996;*

25 *“(C) \$200,000,000 for fiscal year 1997;*

1 “(D) \$200,000,000 for fiscal year 1998; and

2 “(E) \$200,000,000 for fiscal year 1999,
3 *for the benefit of Amtrak to make capital expenditures*
4 *under chapter 249 of this title.*

5 “(2) *In addition to amounts appropriated under sub-*
6 *section (a), there are authorized to be appropriated to the*
7 *Secretary of Transportation—*

8 “(A) \$21,500,000 for fiscal year 1995;

9 “(B) \$10,000,000 for fiscal year 1996;

10 “(C) \$10,000,000 for fiscal year 1997;

11 “(D) \$10,000,000 for fiscal year 1998; and

12 “(E) \$10,000,000 for fiscal year 1999,
13 *for the benefit of Amtrak to be used for engineering, design,*
14 *and construction activities to enable the James A. Farley*
15 *Post Office in New York, New York, to be used as a train*
16 *station and commercial center and for necessary improve-*
17 *ments and redevelopment of the existing Pennsylvania Sta-*
18 *tion and associated service building in New York, New*
19 *York.”.*

20 (c) *CONFORMING AMENDMENTS.—Section 24909 of*
21 *title 49, United States Code, and the item relating thereto*
22 *in the table of sections of chapter 249 of such title, are re-*
23 *pealed.*

1 (d) *GUARANTEE OF OBLIGATIONS.*—*There are author-*
 2 *ized to be appropriated to the Secretary of Transpor-*
 3 *tation—*

4 (1) \$50,000,000 for fiscal year 1996;

5 (2) \$50,000,000 for fiscal year 1997;

6 (3) \$50,000,000 for fiscal year 1998; and

7 (4) \$50,000,000 for fiscal year 1999,

8 *for guaranteeing obligations of Amtrak under section 511*
 9 *of the Railroad Revitalization and Regulatory Reform Act*
 10 *of 1976 (45 U.S.C. 831).*

11 (e) *CONDITIONS FOR GUARANTEE OF OBLIGATIONS.*—
 12 *Section 511(i) of the Railroad Revitalization and Regu-*
 13 *latory Reform Act of 1976 (45 U.S.C. 831(i)) is amended*
 14 *by adding at the end the following new paragraph:*

15 “(4) *The Secretary shall not require, as a condition*
 16 *for guarantee of an obligation under this section, that all*
 17 *preexisting secured obligations of an obligor be subordinated*
 18 *to the rights of the Secretary in the event of a default.”.*

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